

File 761

INFORMATION REPORT

CD NO.

COUNTRY Germany (Russian Zone)

CONFIDENTIAL

DATE DISTR. 29 Jan 51

SUBJECT The Steel Industry

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PLACE 25X1A

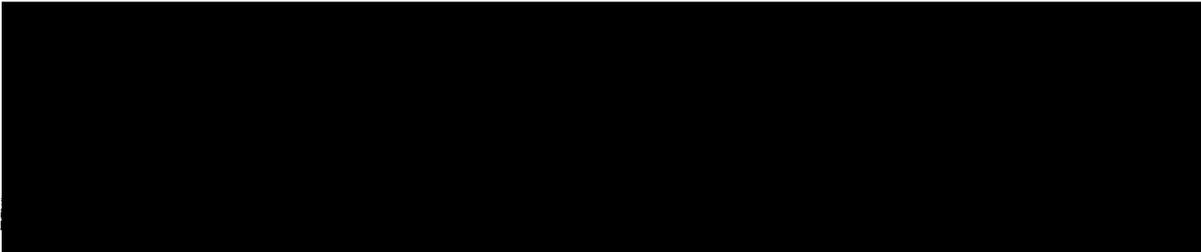
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SUPPLEMENT TO REPORT NO.



SOURCE

1. A new steel plant, called "Mittenwerk Kombinat West", is under construction at Calbe/Saale. It is to have ten "Niederschachtofen" in which pig iron will be produced by smelting the fine-grain Thuringian iron ore with lignite found in the area. This ore is not suitable for smelting in the blast furnaces of the Maxhütte in Unterwellenborn. A Niederschachtofen at the Maxhütte made over 100 tests and now appears suitable for the processing of the Thuringian ore with lignite.
2. The new steel plant near Fürstenberg/Oder will have 8 to 10 blast furnaces. The pig iron produced will supply open-hearth furnaces to produce steel and feed a rolling mill. It is planned to make 500,000 tons of pig and 150,000 tons of steel annually. Upon completion, the plant will employ 12,000 workers. To provide for these and their families, a building program is planned for the housing of 30,000 persons.
3. The steel plant in Brandenburg has so far proved to be the most inefficient in the Soviet Zone. Parts of the plant are not yet housed; much of the work must therefore be performed in the open. There is no laboratory and no analysis of the steel product is possible. Only two open-hearth furnaces are in operation. Raw steel blocks often have bad blisters and steel plate frequently shows serious imperfections.
4. In a report on production costs made by the Finance Department of the Ministry of Heavy Industry there is bitter complaint over the poor quality steel produced at the Stahl-und Walzwerk Hennigsdorf at the present time as compared with that produced a year ago.
5. The Terra-Werk in Emmelborn, Thuringia, which belongs to SAG Marton, produces 26 tons of tool steel (Widia) per month. Sixteen tons of this is packed in powder form in tins; 10 tons is sintered. The entire production goes to Russia.

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.
Next Review Date: 2008

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 No Change in Class.
 Declassified
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GENERAL INTELLIGENCE AGENCY

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6. The Duckau-Wold plant in Magdeburg, which belongs to SAG AMO, was authorized to spend 4,000,000 DM (West) for purchases in Western Germany during 1949. This money was made available in cash. In 1950 the same amount was provided, but only 800,000 DM (West) was in cash, while 3,200,000 DM (West) was charged to interzonal trade. Western firms with which Duckau-Wold dealt are:

Ruhrstahl AG in Hattingen*
Röchlingstahl GmbH, in Berlin
Horbach & Schmitz GmbH, in Berlin
Müller,** Minervastahl, and Walzlagervertriebs GmbH, all in Berlin

Ruhrstahl AG in Western Germany has contracted to fill large orders of steel rolling mill machines. A Ruhrstahl salesman named Breukert frequently goes to Magdeburg to negotiate.

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- * Comment: Ruhrstahl AG is listed in the Industrial Directory of the Western Zones as being in Brackwede.

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- ** Comment: This may be the firm which is listed in the 1950 Berlin telephone directory as: Müller, Friedrich-Wilhelm, Stahlgrosshandlung, SW 68 Prinzessinnenstr. 19.

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